



EXHIBIT A

SCOPE OF WORK

I. Overview:

Background:

The Authority is an agency of the State of Michigan, within the Department of Labor and Economic Growth. The Authority was created by statute in 1966, and has originated single family purchase-money mortgage loans throughout most of its existence. These loans are financed with the proceeds of tax-exempt mortgage revenue bonds; that is, bonds, the interest on which is exempt from taxes because the borrowers meet certain income and purchase-price restrictions. Because the Authority is able to pay a lower interest rate on the bonds, since that interest is not taxed, the savings is passed on to the mortgage borrowers in the form of lower interest rates. The Authority's portfolio presently consists of approximately 8,800 first mortgage loans. These loans are originated in the names of various participating lenders. Once the Authority has reviewed the loans, the Authority purchases them from the lenders and servicing is released. In addition, many of those mortgage loans have non-interest-bearing, non-amortizing down payment assistance loans ("DPA loans") associated with them. None of the Authority's loans are adjustable rate mortgages, but the Authority does hold certain "step loans," for which the interest rate increases one time, one percent after 36 months. The Authority also has entered into a number of "HELP Loans" which are also non-interest-bearing, non-amortizing loans, given to borrowers who were in danger of foreclosure. At this time, all of these loans are being sub-serviced by Dovenmuehle Mortgage, Inc. ("DMI"). Because of State requirements, the contract for sub-servicing these loans is being bid out. DMI is eligible to submit a proposal for this contract. The Authority expects to award one or more contracts for the sub-servicing of its loans. If more than one contract is awarded, the Authority will divide the portfolio among the successful contractors.

Brief description of services to be performed:

The Contractor will be responsible for setting up new loans, and collecting payments for new and existing loans, applying those payments appropriately and reporting to the Authority.

The Contractor should offer a remote inquiry system with secure access to request reports via the Internet by accessing a virtual private network and by using standard FTP protocol. The Authority will then be able to download files, such as reports, or send the Contractor files such as new loan interface files. The transmission of data over the Internet should be very secure through the use of 168-bit encryption. The Contractor needs to offer easy and quick connectivity. The Contractor must provide the Authority with the ability to assign user names and passwords to the appropriate staff for access to transaction data, screens, reports and files.

The Contractor must provide user documentation, user training, training material and telephone assistance. The user documentation must be designed to make staff tasks as easy as possible to utilize the Contractor's remote inquiry system on any personal computer in the Authority's facility.

II. Objectives, Tasks & Activities, and Deadlines:

A. Activities/Responsibilities Necessary to Complete Scope of Work.

All of the services listed below are to be provided by the Contractor. These services are described in detail in the Authority's Single Family Mortgage Servicing Manual, attached. All services must be performed according to applicable guidelines, mandates, or other requirements as promulgated by FHA, VA, RD, or private mortgage insurers, and pursuant to applicable laws and regulations.

- Set up new loans received from lenders with the correct due date, principal balance, interest rate, escrow balance, and in the correct bond series.
- Accept payments from the mortgagors and properly apply them to the correct categories of principal and interest, and tax and insurance escrows.
- Supply the mortgagors with a monthly statement.
- Send to the Authority hard-copy daily remittance reports by bond series for regular payments and payoffs.

- Send to the Authority hard-copy month-end reports by bond series: consolidated remittance reports, paid in full reports for first mortgages, DPAs loans and HELP loans, prepayments, curtailments, delinquencies, payment and curtailments reversals, and trial balances.
- Send to the Authority month-end electronic reports.
- Remit funds daily to the Authority within two business days of when funds were collected.
- Using each borrower's escrow funds, pay real estate taxes before they become delinquent, ensure that the residence securing the mortgage loan is continuously insured against fire and other casualty losses, and maintain private mortgage insurance or other mortgage insurance or guarantees, pursuant to the Authority's requirements. In the event the escrow funds are insufficient for such purposes, the contractor shall advance the necessary funds and require reimbursement from the Authority.
- Ensure that the property does not become subject to any liens arising from non-payment of water or other bills.
- Prepare 1098 and 1099 tax reports, as applicable.
- Include and sequence all reports by MSHDA loan number.
- Balance each series to the Authority's monthly billing, submit completed Reconciliation Reports, and investigate what is causing a series to be out of balance and report to the Authority.
- Notify the Authority regarding change in ownership and lease agreements with required documentation.
- Be knowledgeable concerning the Authority's various types of DPA loans and HELP loans.
- Provide complete, accurate payoff statements to include DPA and/or HELP loan(s) in separate, defined line items.
- Send discharges of mortgage for recording in compliance with Michigan laws.
- Process assumptions.

- Provide courteous customer service by qualified, knowledgeable staff, accessible by a toll-free number.
- Process PMI cancellation with the Authority's approval.
- Monitor collections and loss mitigation.
- Take proper steps to monitor and control delinquencies.
- Process bankruptcies.
- Process deeds in lieu of foreclosures, redemptions, pre-foreclosure short sales, third party sales, and loan modifications.
- Process mortgage loans through foreclosure including:
 - Handle property inspections, maintenance and waste prevention, as necessary.
 - Ensure that all insurances are maintained on each account.
 - Ensure that real estate taxes and any electric/water/sewer municipal charges are maintained on a current basis for each account.
 - Monitor through Conveyance or REO administration of property.
- Process/monitor insurance claims through the settlement of claim.
- Provide new loan set-up guide and conduct periodic training regarding new loan set-up for lenders.
- Retain files relating to paid-off loans pursuant to Authority requirements.

B. Deadlines for Completing Objectives.

Orientation Meeting:

1. On or about October 2, 2006, the successful Contractor(s) will be required to schedule and attend orientation/training meeting(s) to discuss the content and procedures of the contract. The Authority and Contractor(s) will also discuss and develop a timeline and procedures for the conversion, including the appropriate testing of data, of the single-family loan portfolio.

2. The meeting(s) will be held in Lansing, Michigan at a date and time mutually acceptable to the Authority and Contractor(s).
3. The Authority shall bear no cost for the time and travel of the Contractor(s) for attendance at the meeting(s).

Performance Review Meetings:

1. During the implementation stage, the Authority and Contractor(s) will schedule and hold weekly status conference calls to discuss conversion issues, new loan set-up matters and other servicing related issues. The Authority will determine the frequency of the conference calls after the implementation stage.
2. In the event the conversion issues, new loan set-up procedures and/or other servicing related issues cannot be resolved during the conference calls, the Authority will require the Contractor(s) to attend meeting(s), as needed, to review the Contractor(s) performance under the contract.
3. The meetings will be held in Lansing, Michigan at a date and time mutually acceptable to the Authority and the Contractor(s).
4. The Authority shall bear no cost for time and travel of the Contractor's attendance at these meetings.

III. Roles and Responsibilities of the Authority's Single Family Mortgage-Servicing Unit:

- Execute Discharges of Mortgage for paid in full loans and forward to the Contractor to send to the Register of Deeds for recording.
- Send the Contractor a monthly billing for each bond series.
- Reconcile the Contractor's reports to the Contractor's remittances and the Authority's Single Family Mortgage system.
- Advise the Contractor when the Authority finds an error in a new loan setup, i.e. interest rate, P&I constant, or principal balance.
- Advise the Contractor when the Authority finds an error in a loan due to a change that should have been made which the Contractor did not make, i.e. step loan increase in interest rate and P&I, or from

transactions that the Contractor incorrectly applied to a loan causing the loan to have an incorrect principal balance or due date.

- Handle requests from a borrower or borrower's representative during the sale of the property regarding forgiveness, or partial forgiveness, of a DPA Mortgage, and notify the Contractor in writing of the revised payoff amount of the DPA loan.
- Receive notification and documentation regarding record changes and ownership transfers from the Contractor and enter said changes into the Authority's Single Family Mortgage system.
- Receive notification of request to lease from borrower and approval by Mortgage insurer and acknowledge the Authority's receipt and concurrence to allow the lease.

As it pertains to the Foreclosure Process:

- Review and acknowledge foreclosure requests.
- Provide the Contractor with copies of documents (recorded Mortgage, Note, recorded Assignment of Mortgage, Title Insurance Policy and Mortgage Insurance Certificate) to start foreclosure action.
- Review and acknowledge marketing packages.
- Review and approve list price reductions.
- Review and execute sale contracts and closing documents.
- Receive claim payments and/or sales proceeds and notify the Contractor of such.
- Review and approve the Contractor's billings to the Authority.
- Notify the Contractor when the file can be closed.

As it pertains to Forbearances:

- Review the Contractor's (or mortgagor's) forbearance request.

- Notify the Contractor that forbearance request has been approved or denied. If the request has been denied, provide the Contractor with the reason for the denial.

As it pertains to Deed in Lieu of Foreclosures:

- Review the Contractor's (or mortgagor's) request to accept a deed in lieu of foreclosure.
- Notify the Contractor of the Authority's decision. If the request is denied, provide the Contractor with the reason for the denial.
- If the request is approved, prepare the Discharge of Mortgage(s) and submit to the Contractor.

As it pertains to Short Sales:

- Review the Contractor's (or mortgagor's) request to determine if it meets the applicable requirements.
- Notify the Contractor of the Authority's decision. If the request is denied, provide the Contractor with the reason for the denial.

As it pertains to the Loan Modification Process:

- Verify the accuracy of mortgagor's data reported on the Loss Mitigation Worksheet Proposal and the Loan Modification Transmittal Worksheet. If any discrepancy is noted, the Contractor will be contacted to correct the error and re-submit for review.
- Review package submitted to ensure all appropriate documents are included.
- Review the hardship letter for justifiable reasons for granting the loan modification.
- Approve the loan modification request and fax the approval to the Contractor.
- Monitor the status of signed loan modification agreement and contact the Contractor if the signed loan modification agreement is not returned in a timely manner.

- Verify the data reported on the Signed Loan Modification Agreement, the Loan Modification Worksheet and the Disclosure of Terms and Conditions of Modification to the terms approved. If any discrepancy is noted, the Contractor will be contacted for correction.
- Sign the formal loan modification agreement, notarize and return a copy to the Contractor.

As it pertains to the Contractor's monthly billing:

- Verify the completeness and mathematical accuracy of the monthly billings.
- Review the amounts billed to the terms, conditions and fees specified in the contract.
- Ensure that the appropriate supporting documentation is attached to the billing.
- Contact the Contractor regarding any discrepancies noted and/or incomplete information.
- Notify the Deputy Director of Finance of the balance due to or due from the Contractor.

As it pertains to PMI Cancellation Requests:

- Verify the accuracy and completeness of the information reported on the cancellation request.
- Determine if the mortgagor meets the requirements to have the PMI cancelled.
- If the cancellation requirements have been met, notify the Contractor that the PMI cancellation request has been approved.
- If the cancellation requirements have not been met, notify the Contractor that the PMI cancellation request has been denied and the reason for the denial.